REMARKS

Claims 1- 6, and 8-10 are currently pending in the application. By this amendment, claim 1 is amended. Attached hereto is a separate sheet entitled "Clean Copy of Pending Claims, As Amended" showing a clean copy of the claims pending in the application, as amended.

The Examiner's withdrawal of rejection of claims 8-10 under 35 U.S.C. §112, second paragraph, is acknowledged with appreciation.

The Examiner has rejected amended claim 1 under 35 U.S.C. §112, second paragraph, as indefinite because of a distinction between "off-line static" and "dynamically changing" in the designation of a customer profile, and also because of lack of antecedent basis for a plurality of e-commerce site profiles. The Examiner has requested correction, and the present amendment makes the requested corrections.

Further, these corrections clarify how the invention operates. First, as indicated by amendment to the generating claim element (beginning at line 3 of claim 1), the "off-line" limitation is moved so that it more clearly modifies "generating." The profiles are generated off-line based on past history, as shown by item 201 in Fig. 2 and Fig. 3. Second, as indicated by amendment to the assigning claim element (beginning at line 6 of claim 1), assignment of a static customer profile to a new customer is based on the static customer profiles, as shown by item 204 in Fig. 2 and Fig. 3. Third, reflecting the symmetry contemplated by the invention between the e-commerce site's side and the customer's side (see page 12, lines 20-22, and page 6, lines 5-12), the formulating step is amended to add the same level of detail for the profile of the e-commerce site as was provided for the profile of the customer, namely, that it is based upon past history (compare item 201 in Fig. 2 and Fig. 3). Fourth, the amendment clarifies the connection between the initial static profile and changes to that profile based on observed behavior during negotiations: the changes

made during negotiation are what make the profile dynamic (see page 4, lines 24-27 and page 5, lines 20-27). The parallel construction of the e-commerce site side and the customer side with respect to the dynamic character of the respective profiles is to be noted, again reflecting page 12, lines 20-22.

It is believed that the foregoing amendments to claim 1 responsive to the Examiner's request, overcome the §112, second paragraph, rejection. Further, these amendments, by clarifying the invention as claimed, may also be of assistance in resolving the remaining grounds of rejection, as discussed below.

The Examiner maintains rejection of claims 1-3 under 35 U.S.C. §103(a) as unpatentable over U.S. Patent No. 6,035,288 to Solomon in view of U.S. Patent No. 6,125,352 to Franklin et al. ("Franklin"). As indicated on the record already established in this case, Solomon provides for automation of a "haggling" merchant but does not provide for human-computer interfaces on both sides of the negotiation as described for the invention. The Examiner asserts that what is missing from Solomon is provided by Franklin, because Franklin teaches collecting information on merchants by the customer side. For the reasons which follow, this line of argument does not withstand scrutiny.

Franklin teaches "selectively selecting and storing product information on a client-side database," as noted by the Examiner. However, Franklin is concerned with facilitating on-line shopping by providing a practical mechanism for the shopper to assemble product information and prices from a plurality of merchants and thereby comparison shop without being dependent upon storage of product information by the merchants. However, there is in Franklin no means for negotiation between buyer and seller, and therefore Franklin lacks the very predicate required for one skilled in the art to connect Franklin with the "haggling" merchant of Solomon. Absent means for negotiation, the comparison shopping information collected by Franklin does not suggest a **negotiation** profile, wherein the **profile is updated during negotiation**

and is therefore dynamic. Consequently – and contrary to the Examiner's argument – there is no description or suggestion in Franklin of using information captured by the shopper to **negotiate** with the seller. Comparison shopping under Franklin is **not a negotiation**; rather, it is merely a mechanism to assist the shopper in selecting a product.

It is to be noted that Solomon (col. 1, lines 35-37) observed that many prior art Internet commerce mechanisms fail to provide for negotiation. Franklin falls into this category, leaving one skilled in the art without any basis for making a connection between a) collecting information for comparison shopping (which, in any event, is old in the art), and b) using that information to establish a **negotiation profile**. For the purposes of combination with Solomon, Franklin adds nothing to the well known prior art of comparison shopping; implementation on a computer of prior art pencil and paper methods of gathering information for comparison shopping fails to provide the essential connection to **negotiation**.

Needless to say – because there is no means in Franklin for negotiation – there is no description or suggestion in Franklin of a using a profile for **negotiation of any kind – as that term is understood by Solomon (col. 1, lines 35-37), and therefore no basis for a suggestion of a customer side negotiation profile, A PROFILE WHICH IS UPDATED DURING NEGOTIATION (an aspect of the claimed invention which is clarified by the present amendments, responsive to the Examiner's request), much less a combination with the e-commerce site side negotiation profile of Solomon**. Because of the absence in Franklin of the critical element of negotiation, there simply is no teaching in Franklin relevant to negotiation, and therefore no linkage for the necessary motivation. The Examiner's strongest argument is the bootstrap argument that Solomon itself teaches the bilateral negotiation of the present invention, precisely because there is a symmetry between buyer and seller. However, such a bootstrap has the strong look and feel of hindsight,

because **there is no suggestion of such symmetry in Solomon itself. It is the present invention, not Solomon, which articulates and implements and claims such symmetry**. If there were substance to this bootstrap, it would be supportable by other references showing such an extension of Solomon's disclosure. However, there is no such reference disclosed on the record of this case. In summary, the Examiner's burden of proof to make a *prima facie* case of obviousness has not been met, and the applicant respectfully traverses the Examiner's indication that a *prima facie* case of obviousness has been shown.

It is therefore requested that the finality of the rejection be withdrawn.

The Franklin reference does not provide what is missing in Solomon. Franklin simply automates the price comparison shopping practices that are old in the art. Writing down the price/product information of different vendors ("selecting and storing product information") for the purpose of comparing prices and making a more informed buying decision is well know. There is nothing in Franklin (or in the old price comparison shopping practices) which describe or suggest going beyond this to establish a bargaining mechanism, where such information could be used, much less the methodology for use in bargaining as described in the invention (see Figures 2 and 3). **It is important to emphasize that the mechanism of the present invention, as claimed, provides for bilateral updating of the respective profiles during negotiation based on respective behaviors observed during negotiation**. Unilateral selection of the best price from among competing merchants does not suggest a **negotiation**, as Solomon observed (col. 1, lines 35-37). Thus Franklin's information is not a **negotiation profile** as used in the present invention.

Thus, while price comparison shopping is well known and obvious, there is no connection between this teaching and negotiation, and therefore no reason to combine with Solomon.

The Examiner has kindly suggested that a difficulty with the claims is that a "profile" is established by any gathering of information, e.g. by the customer about a web site. This applies, for example, to the storing of a bookmark as described in the Gerace reference. However, the term "profile," **as defined in the specification and claimed as clarified by the present amendment**, relates to an automated means for assisting in the conduct of a negotiation **by updating the profile during negotiations and thereby making the automated profile dynamic**. This notion of a profile **for negotiation** is different from other uses of the term, as for example is described in the background section of the specification with respect to the Cragun prior art at page 3, lines 2-12.

In view of the foregoing remarks it is believed that the Solomon/Franklin ground of rejection is overcome, and claim 1 is in proper condition for allowance.

The Examiner maintains rejection of claims 4 and 5 under 35 U.S.C. §103(a) as unpatentable over Solomon in view of Franklin and U.S. Patent No. 5,991,735 to Gerace. Since claims 4 and 5 depend from claim 1, which is now believed to be in allowable form as described above, this rejection is also overcome. It should be noted that Gerace teaches about customer behavioral profiles for the purpose of providing "agate" information on the Internet. There is no indication in Gerace – as there was none in Franklin – of a means for negotiation, without which there is no reason or motivation for one skilled in the art to apply Gerace to Solomon in relation to the subject matter claimed in the present invention. While Gerace provides a customer profile, and for updating this profile, the amendment to claim 1 makes clear that the term "dynamic" in the claims refers to the context of a bilateral negotiation, or give-and-take, between buyer and seller.

The Examiner maintains rejection of claim 6 under 35 U.S.C. §103(a) as unpatentable over Solomon in view of Franklin and further in view of U.S. Patent No. 5,717,923 to Dedrick. Since claim 6 depends from claim 1, which is now believed to

be in allowable form as described above, this rejection is also overcome. It should be noted that Dedrick teaches about using customer profiles to adapt information content to the customer. As with Franklin and Gerace, there is no suggestion in Dedrick of a negotiation between buyer and seller. Profiles in general are old in the art, and the critical missing link to make these references to prior art customer profiles relevant to the present invention is a context of buyer-seller negotiation.

The Examiner maintains rejection of claims 8-10 under 35 U.S.C. §103(a) as unpatentable over Solomon in view of an article by E. Birkhead, "Digging with Gopher," in *LAN Computing*, Vol. 5, no. 4 (April 1994) p. 23 ("Birkhead"). Since claims 8-10 depend from claim 1, which is now believed to be in allowable form as described above, this rejection is also overcome. It should be noted that while Birkhead teaches the well known practice of establishing bookmarks by a user, a bookmark is simply a web address (a URL). Furthermore, as with Franklin, Gerace and Dedrick, there is no suggestion in Birkhead of a negotiation between buyer and seller. Profiles in general are old in the art, and the critical missing link to make these references to prior art examples of gathering information (whether about customers or about web sites) relevant to the present invention is a context of buyer-seller negotiation. Without this negotiation context, there is no motivation (except through impermissible hindsight or the applicant's own disclosure) for one skilled in the art to do what is described and claimed in the present invention.

In view of the foregoing, it is requested that the application be reconsidered, that claims 1-6 and 8-10 be allowed, and that the application be passed to issue.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at 703-787-9400 (fax: 703-787-7557; email: clyde@wcc-ip.com) to discuss any other changes deemed necessary in a telephonic or personal interview.

    If a further extension of time is required for this response to be considered as being timely filed, a conditional petition is hereby made for such extension of time. Please charge any deficiencies in fees and credit any overpayment of fees to Deposit Account 09-0441 (IBM-Almaden).

Respectfully submitted,
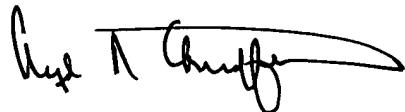
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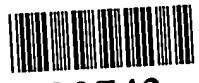
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